

House File 835 - Reprinted

HOUSE FILE _____
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 733)
(SUCCESSOR TO HF 425)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the port authorities including providing for
2 the establishment, control, and dissolution of port
3 authorities and providing for certain powers, limitations, and
4 requirements including issuing revenue bonds and pledge
5 orders, charging fees, entering into contracts and agreements,
6 employing persons and peace officers, and providing for the
7 use of revenues and exemption from property taxes.
8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
9 TLSB 2070HZ 81
10 kk/cf/24

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1 1 Section 1. NEW SECTION. 28J.1 DEFINITIONS.
1 2 As used in this chapter, unless the context otherwise
1 3 requires:
1 4 1. "Authorized purposes" means an activity that enhances,
1 5 fosters, aids, provides, or promotes transportation, economic
1 6 development, housing, recreation, education, governmental
1 7 operations, culture, or research within the jurisdiction of a
1 8 port authority.
1 9 2. "Board" means the board of directors of a port
1 10 authority established pursuant to section 28J.2.
1 11 3. "City" means the same as defined in section 362.2.
1 12 4. "Construction" means alteration, creation, development,
1 13 enlargement, erection, improvement, installation,
1 14 reconstruction, remodeling, and renovation.
1 15 5. "Contracting governmental agency" means any
1 16 governmental agency or taxing district of the state that, by
1 17 action of its legislative authority, enters into an agreement
1 18 with a port authority pursuant to section 28J.17.
1 19 6. "Cost" as applied to a port authority facility means
1 20 any of the following:
1 21 a. The cost of construction contracts, land, rights-of=
1 22 way, property rights, easements, franchise rights, and
1 23 interests required for acquisition or construction.
1 24 b. The cost of demolishing or removing any buildings or
1 25 structures on land, including the cost of acquiring any lands
1 26 to which those buildings or structures may be moved.
1 27 c. The cost of diverting a highway, interchange of a
1 28 highway, and access roads to private property, including the
1 29 cost of land or easements, and relocation of a facility of a
1 30 utility company or common carrier.
1 31 d. The cost of machinery, furnishings, equipment,
1 32 financing charges, interest prior to and during construction
1 33 and for no more than twelve months after completion of
1 34 construction, engineering, and expenses of research and
1 35 development with respect to a facility.
2 1 e. Legal and administrative expenses, plans,
2 2 specifications, surveys, studies, estimates of cost and
2 3 revenues, engineering services, and other expenses necessary
2 4 or incident to determining the feasibility or practicability
2 5 of acquiring or constructing a facility.
2 6 f. The interest upon the revenue bonds and pledge orders
2 7 during the period or estimated period of construction and for
2 8 twelve months thereafter, or for twelve months after the
2 9 acquisition date, reserve funds as the port authority deems
2 10 advisable in connection with a facility and the issuance of
2 11 port authority revenue bonds and pledge orders.
2 12 g. The costs of issuance of port authority revenue bonds
2 13 and pledge orders.

2 14 h. The cost of diverting a rail line, rail spur track, or
2 15 rail spur track switch, including the cost of land or
2 16 easements, and relocation of a facility of a utility company
2 17 or common carrier.
2 18 i. The cost of relocating an airport's runways, terminals,
2 19 and related facilities including the cost of land or
2 20 easements, and relocation of a facility of a utility company
2 21 or common carrier.

2 22 7. "Facility" or "port authority facility" means real or
2 23 personal property owned, leased, or otherwise controlled or
2 24 financed by a port authority and related to or in furtherance
2 25 of one or more authorized purposes.

2 26 8. "Governmental agency" means a department, division, or
2 27 other unit of state government of this state or any other
2 28 state, city, county, township, or other governmental
2 29 subdivision, or any other public corporation or agency created
2 30 under the laws of this state, any other state, the United
2 31 States, or any department or agency thereof, or any agency,
2 32 commission, or authority established pursuant to an interstate
2 33 compact or agreement or combination thereof.

2 34 9. "Person" means the same as defined in section 4.1.

2 35 10. "Pledge order" means a promise to pay out of the net
3 1 revenues of a port authority, which is delivered to a
3 2 contractor or other person in payment of all or part of the
3 3 cost of a facility.

3 4 11. "Political subdivision" means a city, county, city=
3 5 county consolidation, or multicounty consolidation, or
3 6 combination thereof.

3 7 12. "Political subdivisions comprising the port authority"
3 8 means the political subdivisions which created or participated
3 9 in the creation of the port authority under section 28J.2, or
3 10 which joined an existing port authority under section 28J.4.

3 11 13. "Port authority" means an entity created pursuant to
3 12 section 28J.2.

3 13 14. "Port authority revenue bonds" means revenue bonds and
3 14 revenue refunding bonds issued pursuant to section 28J.21.

3 15 15. "Public roads" means all public highways, roads, and
3 16 streets in this state, whether maintained by the state or by a
3 17 county or city.

3 18 16. "Revenues" means rental fees and other charges
3 19 received by a port authority for the use or services of a
3 20 facility, a gift or grant received with respect to a facility,
3 21 moneys received with respect to the lease, sublease, sale,
3 22 including installment sale or conditional sale, or other
3 23 disposition of a facility, moneys received in repayment of and
3 24 for interest on any loans made by the port authority to a
3 25 person or governmental agency, proceeds of port authority
3 26 revenue bonds for payment of principal, premium, or interest
3 27 on the bonds authorized by the port authority, proceeds from
3 28 any insurance, condemnation, or guarantee pertaining to the
3 29 financing of the facility, and income and profit from the
3 30 investment of the proceeds of port authority revenue bonds or
3 31 of any revenues.

3 32 Sec. 2. NEW SECTION. 28J.2 CREATION AND POWERS OF PORT
3 33 AUTHORITY.

3 34 1. Two or more political subdivisions may create a port
3 35 authority under this chapter by resolution. If a proposal to
4 1 create a port authority receives a favorable majority of the
4 2 members of the elected legislative body of the political
4 3 subdivision, the port authority is created at the time
4 4 provided in the resolution. The jurisdiction of a port
4 5 authority includes the territory described in section 28J.8.

4 6 2. A port authority created pursuant to this section may
4 7 sue and be sued, complain, and defend in its name and has the
4 8 powers and jurisdiction enumerated in this chapter.

4 9 3. At the time a port authority is created pursuant to
4 10 this section, the political subdivisions comprising the port
4 11 authority may restrict the powers granted the port authority
4 12 pursuant to this chapter by specifically adopting such
4 13 restrictions in the resolution creating the port authority.

4 14 4. The political subdivisions comprising the port
4 15 authority whose powers have been restricted pursuant to
4 16 subsection 3 may at any time adopt a resolution to grant
4 17 additional powers to the port authority, so long as the
4 18 additional powers do not exceed the powers permitted under
4 19 this chapter.

4 20 Sec. 3. NEW SECTION. 28J.3 APPROPRIATION AND EXPENDITURE
4 21 OF PUBLIC FUNDS == DISSOLUTION.

4 22 1. The political subdivisions comprising a port authority
4 23 may appropriate and expend public funds to finance or
4 24 subsidize the operation and authorized purposes of the port

4 25 authority. A port authority shall control tax revenues
4 26 allocated to the facilities the port authority administers and
4 27 all revenues derived from the operation of the port authority,
4 28 the sale of its property, interest on investments, or from any
4 29 other source related to the port authority.
4 30 2. All revenues received by the port authority shall be
4 31 held in a separate fund in a manner agreed to by the political
4 32 subdivisions comprising the port authority. Revenues may be
4 33 paid out only at the direction of the board of directors of
4 34 the port authority.
4 35 3. A port authority shall comply with section 331.341,
5 1 subsections 1, 2, 4, and 5, and section 331.342, when
5 2 contracting for public improvements.
5 3 4. Subject to making due provisions for payment and
5 4 performance of any outstanding obligations, the political
5 5 subdivisions comprising the port authority may dissolve the
5 6 port authority, and transfer the property of the port
5 7 authority to the political subdivisions comprising the port
5 8 authority in a manner agreed upon between the political
5 9 subdivisions comprising the port authority prior to the
5 10 dissolution of the port authority.
5 11 Sec. 4. NEW SECTION. 28J.4 JOINING AN EXISTING PORT
5 12 AUTHORITY.
5 13 1. A political subdivision which is contiguous to either a
5 14 political subdivision which participated in the creation of
5 15 the port authority or a political subdivision which proposes
5 16 to join the port authority at the same time which is
5 17 contiguous to a political subdivision which participated in
5 18 the creation of the port authority may join the port authority
5 19 by resolution.
5 20 2. If more than one such political subdivision proposes to
5 21 join the port authority at the same time, the resolution of
5 22 each such political subdivision shall designate the political
5 23 subdivisions which are to be so joined.
5 24 3. Any territory or city not included in a port authority
5 25 which is annexed to a city included within the jurisdiction of
5 26 a port authority shall, on such annexation and without further
5 27 proceedings, be annexed to and be included in the jurisdiction
5 28 of the port authority.
5 29 4. Before a political subdivision is joined to a port
5 30 authority, other than by annexation to a city, the political
5 31 subdivisions comprising the port authority shall agree upon
5 32 the terms and conditions pursuant to which such political
5 33 subdivision is to be joined.
5 34 5. For the purpose of this chapter, such political
5 35 subdivision shall be considered to have participated in the
6 1 creation of the port authority, except that the initial term
6 2 of any director of the port authority appointed by a joining
6 3 political subdivision shall be four years.
6 4 6. After each resolution proposing a political subdivision
6 5 to join a port authority has become effective and the terms
6 6 and conditions of joining the port authority have been agreed
6 7 to, the board of directors of the port authority shall by
6 8 resolution either accept or reject the proposal. Such
6 9 proposal to join a port authority shall be effective upon
6 10 adoption of the resolution by the board of directors of the
6 11 port authority and thereupon the jurisdiction of the port
6 12 authority includes the joining political subdivision.
6 13 Sec. 5. NEW SECTION. 28J.5 MEMBERSHIP OF BOARD OF
6 14 DIRECTORS.
6 15 1. A port authority created pursuant to section 28J.2
6 16 shall be governed by a board of directors. Members of a board
6 17 of directors of a port authority shall be divided among the
6 18 political subdivisions comprising the port authority in such
6 19 proportions as the political subdivisions may agree and shall
6 20 be appointed by the respective political subdivision's elected
6 21 legislative body.
6 22 2. The number of directors comprising the board shall be
6 23 determined by agreement between the political subdivisions
6 24 comprising the port authority, and which number may be changed
6 25 by resolution of the political subdivisions comprising the
6 26 port authority.
6 27 3. A majority of the directors shall have been qualified
6 28 electors of, or owned a business or been employed in, one or
6 29 more political subdivisions within the area of the
6 30 jurisdiction of the port authority for a period of at least
6 31 three years preceding appointment.
6 32 4. The directors of a port authority first appointed shall
6 33 serve staggered terms. Thereafter each successor director
6 34 shall serve for a term of four years, except that any person
6 35 appointed to fill a vacancy shall be appointed to only the

7 1 unexpired term. A director is eligible for reappointment.

7 2 5. The board may provide procedures for the removal of a
7 3 director who fails to attend three consecutive regular
7 4 meetings of the board. If a director is so removed, a
7 5 successor shall be appointed for the remaining term of the
7 6 removed director in the same manner provided for the original
7 7 appointment. The appointing body may at any time remove a
7 8 director appointed by it for misfeasance, nonfeasance, or
7 9 malfeasance in office.

7 10 6. The board may adopt bylaws and shall elect one director
7 11 as chairperson and one director as vice chairperson, designate
7 12 terms of office, and appoint a secretary who need not be a
7 13 director.

7 14 7. A majority of the board of directors shall constitute a
7 15 quorum for the purpose of holding a meeting of the board. The
7 16 affirmative vote of a majority of a quorum shall be necessary
7 17 for any action taken by the port authority unless the board
7 18 determines that a greater number of affirmative votes is
7 19 necessary for particular actions to be taken by the port
7 20 authority. A vacancy in the membership of the board shall not
7 21 impair the rights of a quorum to exercise all the rights and
7 22 perform all the duties of the port authority.

7 23 8. Each director shall be entitled to receive from the
7 24 port authority such sum of money as the board may determine as
7 25 compensation for services as a director and reimbursement for
7 26 reasonable expenses in the performance of official duties.

7 27 Sec. 6. NEW SECTION. 28J.6 CIVIL IMMUNITY OF DIRECTORS.

7 28 A director of a port authority shall not be personally
7 29 liable for any monetary damages that arise from actions taken
7 30 in the performance of the director's official duties, except
7 31 for acts or omissions that are not in good faith or that
7 32 involve intentional misconduct, a knowing violation of law, or
7 33 any transaction from which the director derived an improper
7 34 personal benefit.

7 35 Sec. 7. NEW SECTION. 28J.7 EMPLOYEES, ADVISORY BOARD,
8 1 PEACE OFFICERS.

8 2 1. A port authority shall employ and fix the
8 3 qualifications, duties, and compensation of any employees and
8 4 enter into contracts for any services that may be required to
8 5 conduct the business of the port authority, and may appoint an
8 6 advisory board, which shall serve without compensation.

8 7 2. An employee of a port authority is a public employee
8 8 for the purposes of collective bargaining under chapter 20.

8 9 3. a. A port authority may provide for the administration
8 10 and enforcement of the laws of the state by employing peace
8 11 officers who shall have all the powers conferred by law on
8 12 peace officers of this state with regard to the apprehension
8 13 of violators upon all property under its control within and
8 14 without the port authority. The peace officers may seek the
8 15 assistance of other appropriate law enforcement officers to
8 16 enforce its rules and maintain order.

8 17 b. Peace officers employed by a port authority shall meet
8 18 all requirements as police officers appointed under the civil
8 19 service law of chapter 400 and shall participate in the
8 20 retirement system established by chapter 411.

8 21 c. Peace officers employed by a port authority shall serve
8 22 as a peace officer force with respect to the property,
8 23 grounds, buildings, equipment, and facilities under the
8 24 control of the port authority, to prevent hijacking of
8 25 aircraft or watercraft, protect the property of the authority
8 26 and the property of others located thereon, suppress nuisances
8 27 and disturbances and breaches of the peace, and enforce laws
8 28 and the rules of the port authority for the preservation of
8 29 good order. Peace officers are vested with the same powers of
8 30 arrest as peace officers under section 804.7.

8 31 4. If an employee of a political subdivision comprising
8 32 the port authority is transferred to a comparable position
8 33 with the port authority, the employee is entitled to suffer no
8 34 loss in pay, pension, fringe benefits, or other benefits and
8 35 shall be entitled to a comparable rank and grade as the
9 1 employee's prior position. Sick leave, longevity, and
9 2 vacation time accrued to such employees shall be credited to
9 3 them as employees of the port authority. All rights and
9 4 accruals of such employees as members of the Iowa public
9 5 employees' retirement system pursuant to chapter 97B and the
9 6 retirement system for police officers pursuant to chapter 411
9 7 shall remain in force and shall be automatically transferred
9 8 to the port authority.

9 9 Sec. 8. NEW SECTION. 28J.8 AREA OF JURISDICTION.

9 10 1. The area of jurisdiction of a port authority shall
9 11 include all of the territory of the political subdivisions

9 12 comprising the port authority and, if the port authority owns
9 13 or leases a railroad line or airport, the territory on which
9 14 the railroad's line, terminals, and related facilities or the
9 15 airport's runways, terminals, and related facilities are
9 16 located, regardless of whether the territory is located in the
9 17 political subdivisions comprising the port authority.

9 18 2. A political subdivision that has created a port
9 19 authority or joined an existing port authority shall not be
9 20 included in any other port authority.

9 21 Sec. 9. NEW SECTION. 28J.9 POWERS OF PORT AUTHORITY.

9 22 A port authority may exercise all of the following powers:

9 23 1. Adopt bylaws for the regulation of the port authority's
9 24 affairs and the conduct of the port authority's business.

9 25 2. Adopt an official seal.

9 26 3. Maintain a principal office and branch offices within
9 27 the port authority's jurisdiction.

9 28 4. Acquire, construct, furnish, equip, maintain, repair,
9 29 sell, exchange, lease, lease with an option to purchase,
9 30 convey interests in real or personal property, and operate any
9 31 property of the port authority in connection with
9 32 transportation, recreational, governmental operations, or
9 33 cultural activities in furtherance of an authorized purpose.

9 34 5. Straighten, deepen, and improve any channel, river,
9 35 stream, or other watercourse or way which may be necessary or
10 1 proper in the development of the facilities of the port
10 2 authority.

10 3 6. Make available the use or services of any facility of
10 4 the port authority to any person or governmental agency.

10 5 7. Issue bonds or pledge orders pursuant to the
10 6 requirements and limitations in section 28J.21.

10 7 8. Issue port authority revenue bonds beyond the limit of
10 8 bonded indebtedness provided by law, payable solely from
10 9 revenues as provided in section 28J.21, for the purpose of
10 10 providing funds to pay the costs of any facility or facilities
10 11 of the port authority or parts thereof.

10 12 9. Apply to the proper authorities of the United States
10 13 for the right to establish, operate, and maintain foreign
10 14 trade zones and establish, operate, and maintain foreign trade
10 15 zones and to acquire, exchange, sell, lease to or from, lease
10 16 with an option to purchase, or operate facilities, land, or
10 17 property in accordance with the federal Foreign Trade Zones
10 18 Act, 19 U.S.C. } 81a=81u.

10 19 10. Enjoy and possess the same legislative and executive
10 20 rights, privileges, and powers granted cities under chapter
10 21 364 and counties under chapter 331, including the exercise of
10 22 police power but excluding the power to levy taxes.

10 23 11. Maintain such funds as it considers necessary and
10 24 adhere to the public funds investment standards of chapter
10 25 12B, as applicable.

10 26 12. Direct port authority agents or employees, after at
10 27 least five days' written notice, to enter upon lands within
10 28 the port authority's jurisdiction to make surveys and
10 29 examinations preliminary to location and construction of works
10 30 for the port authority, without liability of the port
10 31 authority or its agents or employees except for actual
10 32 damages.

10 33 13. Promote, advertise, and publicize the port authority
10 34 and its facilities, and provide information to shippers and
10 35 other commercial interests.

11 1 14. Adopt bylaws, not in conflict with state or federal
11 2 law, necessary or incidental to the performance of the duties
11 3 of and the execution of the powers of the port authority under
11 4 this chapter.

11 5 15. Do any of the following in regard to interests in real
11 6 or personal property, including machinery, equipment, plants,
11 7 factories, offices, and other structures and facilities
11 8 related to or in furtherance of any authorized purpose as the
11 9 board in its sole discretion may determine:

11 10 a. Loan money to any person or governmental agency for the
11 11 acquisition, construction, furnishing, or equipping of the
11 12 property.

11 13 b. Acquire, construct, maintain, repair, furnish, or equip
11 14 the property.

11 15 c. Sell to, exchange with, lease, convey other interests
11 16 in, or lease with an option to purchase the same or any lesser
11 17 interest in the property to the same or any other person or
11 18 governmental agency.

11 19 d. Guarantee the obligations of any person or governmental
11 20 agency.

11 21 e. Accept and hold as consideration for the conveyance of
11 22 property or any interest therein such property or interests

11 23 therein as the board may determine, notwithstanding any
11 24 restrictions that apply to the investment of funds by a port
11 25 authority.

11 26 16. Sell, lease, or convey other interests in real and
11 27 personal property, and grant easements or rights-of-way over
11 28 property of the port authority. The board shall specify the
11 29 consideration and terms for the sale, lease, or conveyance of
11 30 other interests in real and personal property. A
11 31 determination made by the board under this subsection shall be
11 32 conclusive. The sale, lease, or conveyance may be made
11 33 without advertising and the receipt of bids.

11 34 17. Enter into an agreement with a political subdivision
11 35 comprising the port authority for the political subdivision to
12 1 exercise its right of eminent domain pursuant to chapters 6A
12 2 and 6B on behalf of the port authority. However, a
12 3 condemnation exercised on behalf of a port authority pursuant
12 4 to this subsection shall not take or disturb property or a
12 5 facility belonging to a governmental agency, utility company,
12 6 or common carrier, which property or facility is necessary and
12 7 convenient in the operation of the governmental agency,
12 8 utility company, or common carrier, unless provision is made
12 9 for the restoration, relocation, or duplication of such
12 10 property or facility, or upon the election of the governmental
12 11 agency, utility company, or common carrier, for the payment of
12 12 compensation, if any, at the sole cost of the port authority,
12 13 provided that both of the following apply:

12 14 a. If a restoration or duplication proposed to be made
12 15 under this subsection involves a relocation of the property or
12 16 facility, the new facility and location shall be of at least
12 17 comparable utilitarian value and effectiveness and shall not
12 18 impair the ability of the utility company or common carrier to
12 19 compete in its original area of operation.

12 20 b. If a restoration or duplication made under this
12 21 subsection involves a relocation of the property or facility,
12 22 the port authority shall acquire no interest or right in or to
12 23 the appropriated property or facility, until the relocated
12 24 property or facility is available for use and until marketable
12 25 title thereto has been transferred to the utility company or
12 26 common carrier.

12 27 18. a. Make and enter into all contracts and agreements
12 28 and execute all instruments necessary or incidental to the
12 29 performance of the duties of and the execution of powers of
12 30 the port authority under this chapter.

12 31 b. Except as provided in paragraph "c", when the cost of a
12 32 contract for the construction of a building, structure, or
12 33 other improvement undertaken by a port authority involves an
12 34 expenditure exceeding twenty-five thousand dollars, and the
12 35 port authority is the contracting entity, the port authority
13 1 shall make a written contract after notice calling for bids
13 2 for the award of the contract has been given by publication
13 3 twice, with at least seven days between publications, in a
13 4 newspaper of general circulation in the area of the port
13 5 authority. Each such contract shall be let to the lowest
13 6 responsive and responsible bidder. Every contract shall be
13 7 accompanied by or shall refer to plans and specifications for
13 8 the work to be done, prepared for and approved by the port
13 9 authority, and signed by an authorized officer of the port
13 10 authority and by the contractor.

13 11 c. The board of directors may provide criteria for the
13 12 negotiation and award without competitive bidding of any
13 13 contract as to which the port authority is the contracting
13 14 entity for the construction of any building or structure or
13 15 other improvement under any of the following circumstances:

13 16 (1) A real and present emergency exists that threatens
13 17 damage or injury to persons or property of the port authority
13 18 or other persons, provided that a statement specifying the
13 19 nature of the emergency that is the basis for the negotiation
13 20 and award of a contract without competitive bidding shall be
13 21 signed by the officer of the port authority that executes that
13 22 contract at the time of the contract's execution and shall be
13 23 attached to the contract.

13 24 (2) A commonly recognized industry or other standard or
13 25 specification does not exist and cannot objectively be
13 26 articulated for the improvement.

13 27 (3) The contract is for any energy conservation measure as
13 28 defined in section 7D.34.

13 29 (4) With respect to material to be incorporated into the
13 30 improvement, only a single source or supplier exists for the
13 31 material.

13 32 (5) A single bid is received by the port authority after
13 33 complying with the provisions of paragraph "b".

13 34 d. (1) If a contract is to be negotiated and awarded
13 35 without competitive bidding for the reason set forth in
14 1 paragraph "c", subparagraph (2), the port authority shall
14 2 publish a notice calling for technical proposals at least
14 3 twice, with at least seven days between publications, in a
14 4 newspaper of general circulation in the area of the port
14 5 authority. After receipt of the technical proposals, the port
14 6 authority may negotiate with and award a contract for the
14 7 improvement to the person making the proposal considered to be
14 8 the most advantageous to the port authority.

14 9 (2) If a contract is to be negotiated and awarded without
14 10 competitive bidding for the reason set forth in paragraph "c",
14 11 subparagraph (4), construction activities related to the
14 12 incorporation of the material into the improvement also may be
14 13 provided without competitive bidding by the source or supplier
14 14 of that material.

14 15 e. A purchase, exchange, sale, lease, lease with an option
14 16 to purchase, conveyance of other interests in, or other
14 17 contract with a person or governmental agency that pertains to
14 18 the acquisition, construction, maintenance, repair,
14 19 furnishing, equipping, or operation of any real or personal
14 20 property, related to or in furtherance of economic development
14 21 and the provision of adequate housing, shall be made in such
14 22 manner and subject to such terms and conditions as may be
14 23 determined in the board's discretion. This paragraph applies
14 24 to all contracts that are subject to this section,
14 25 notwithstanding any other provision of law that might
14 26 otherwise apply, including a requirement of notice,
14 27 competitive bidding or selection, or for the provision of
14 28 security. However, this paragraph shall not apply to a
14 29 contract secured exclusively by or to be paid exclusively from
14 30 the general revenues of the port authority. For the purposes
14 31 of this paragraph, any revenues derived by the port authority
14 32 under a lease or other agreement that, by its terms,
14 33 contemplates the use of amounts payable under the agreement
14 34 either to pay the costs of the improvement that is the subject
14 35 of the contract or to secure obligations of the port authority
15 1 issued to finance costs of such improvement, are excluded from
15 2 general revenues.

15 3 19. Employ managers, superintendents, and other employees
15 4 and retain or contract with consulting engineers, financial
15 5 consultants, accounting experts, architects, attorneys, and
15 6 any other consultants and independent contractors as are
15 7 necessary in the port authority's judgment to carry out this
15 8 chapter, and fix the compensation thereof. All expenses
15 9 thereof shall be payable from any available funds of the port
15 10 authority or from funds appropriated for that purpose by the
15 11 political subdivisions comprising the port authority.

15 12 20. Receive and accept from a governmental agency grants
15 13 and loans for the construction of a port authority facility,
15 14 for research and development with respect to a port authority
15 15 facility, or any other authorized purpose, and receive and
15 16 accept aid or contributions from any source of moneys,
15 17 property, labor, or other things of value, to be held, used,
15 18 and applied only for the purposes for which the grants, loans,
15 19 aid, or contributions are made.

15 20 21. Engage in research and development with respect to a
15 21 port authority facility.

15 22 22. Purchase fire and extended coverage and liability
15 23 insurance for a port authority facility and for the principal
15 24 office and branch offices of the port authority, insurance
15 25 protecting the port authority and its officers and employees
15 26 against liability for damage to property or injury to or death
15 27 of persons arising from its operations, and any other
15 28 insurance the port authority may agree to provide under a
15 29 resolution authorizing port authority revenue bonds, pledge
15 30 orders, or in any trust agreement securing the same.

15 31 23. Charge, alter, and collect rental fees and other
15 32 charges for the use or services of a port authority facility
15 33 as provided in section 28J.16.

15 34 24. Perform all acts necessary or proper to carry out the
15 35 powers expressly granted in this chapter.

16 1 Sec. 10. NEW SECTION. 28J.10 PARTICIPATION OF PRIVATE
16 2 ENTERPRISE.

16 3 The port authority shall foster and encourage the
16 4 participation of private enterprise in the development of the
16 5 port authority facilities to the fullest extent practicable in
16 6 the interest of limiting the necessity of construction and
16 7 operation of the facilities by the port authority.

16 8 Sec. 11. NEW SECTION. 28J.11 PROVISIONS DO NOT AFFECT
16 9 OTHER LAWS OR POWERS.

16 10 This chapter shall not do any of the following:
16 11 1. Impair a provision of law directing the payment of
16 12 revenues derived from public property into sinking funds or
16 13 dedicating those revenues to specific purposes.
16 14 2. Impair the powers of a political subdivision to develop
16 15 or improve a port and terminal facility except as restricted
16 16 by section 28J.15.
16 17 3. Enlarge, alter, diminish, or affect in any way, a lease
16 18 or conveyance made, or action taken prior to the creation of a
16 19 port authority under section 28J.2 by a city or a county.
16 20 4. Impair or interfere with the exercise of a permit for
16 21 the removal of sand or gravel, or other similar permits issued
16 22 by a governmental agency.
16 23 5. Impair or contravene applicable federal regulations.
16 24 Sec. 12. NEW SECTION. 28J.12 CONVEYANCE, LEASE, OR
16 25 EXCHANGE OF PUBLIC PROPERTY.
16 26 A port authority may convey or lease, lease with an option
16 27 to purchase, or exchange with any governmental agency or other
16 28 port authority without competitive bidding and on mutually
16 29 agreeable terms, any personal or real property, or any
16 30 interest therein.
16 31 Sec. 13. NEW SECTION. 28J.13 ANNUAL BUDGET == USE OF
16 32 RENTS AND CHARGES.
16 33 The board shall annually prepare a budget for the port
16 34 authority. Revenues received by the port authority shall be
16 35 used for the general expenses of the port authority and to pay
17 1 interest, amortization, and retirement charges on money
17 2 borrowed. Except as provided in section 28J.26, if there
17 3 remains, at the end of any fiscal year, a surplus of such
17 4 funds after providing for the above uses, the board shall pay
17 5 such surplus into the general funds of the political
17 6 subdivisions comprising the port authority as agreed to by the
17 7 subdivisions.
17 8 Sec. 14. NEW SECTION. 28J.14 SECRETARY TO FURNISH BOND
17 9 == DEPOSIT AND DISBURSEMENT OF FUNDS.
17 10 Before receiving any revenues, the secretary of a port
17 11 authority shall furnish a bond in such amount as shall be
17 12 determined by the port authority with sureties satisfactory to
17 13 the port authority, and all funds coming into the hands of the
17 14 secretary shall be deposited by the secretary to the account
17 15 of the port authority in one or more such depositories as
17 16 shall be qualified to receive deposits of county funds, which
17 17 deposits shall be secured in the same manner as county funds
17 18 are required to be secured. A disbursement shall not be made
17 19 from such funds except in accordance with policies and
17 20 procedures adopted by the port authority.
17 21 Sec. 15. NEW SECTION. 28J.15 LIMITATION ON CERTAIN
17 22 POWERS OF POLITICAL SUBDIVISIONS.
17 23 A political subdivision creating or participating in the
17 24 creation of a port authority in accordance with section 28J.2
17 25 shall not, during the time the port authority is in existence,
17 26 exercise the rights and powers provided in chapters 28A, 28K,
17 27 and 384 relating to the political subdivision's authority over
17 28 a port, wharf, dock, harbor or other facility substantially
17 29 similar to that political subdivision's authority under a port
17 30 authority granted under this chapter.
17 31 Sec. 16. NEW SECTION. 28J.16 RENTALS OR CHARGES FOR USE
17 32 OR SERVICES OF FACILITIES == AGREEMENTS WITH GOVERNMENTAL
17 33 AGENCIES.
17 34 1. a. A port authority may charge, alter, and collect
17 35 rental fees or other charges for the use or services of any
18 1 port authority facility and contract for the use or services
18 2 of a facility, and fix the terms, conditions, rental fees, or
18 3 other charges for the use or services.
18 4 b. If the services are furnished in the jurisdiction of
18 5 the port authority by a utility company or a common carrier,
18 6 the port authority's charges for the services shall not be
18 7 less than the charges established for the same services
18 8 furnished by a utility company or common carrier in the port
18 9 authority jurisdiction.
18 10 c. The rental fees or other charges shall not be subject
18 11 to supervision or regulation by any other authority,
18 12 commission, board, bureau, or governmental agency of the state
18 13 and the contract may provide for acquisition of all or any
18 14 part of the port authority facility for such consideration
18 15 payable over the period of the contract or otherwise as the
18 16 port authority determines to be appropriate, but subject to
18 17 the provisions of any resolution authorizing the issuance of
18 18 port authority revenue bonds or any trust agreement securing
18 19 the bonds.
18 20 d. A governmental agency that has power to construct,

18 21 operate, and maintain a port authority facility may enter into
18 22 a contract or lease with a port authority for the use or
18 23 services of a port authority facility as may be agreed to by
18 24 the port authority and the governmental agency.

18 25 2. a. A governmental agency may cooperate with the port
18 26 authority in the acquisition or construction of a port
18 27 authority facility and shall enter into such agreements with
18 28 the port authority as may be appropriate, which shall provide
18 29 for contributions by the parties in a proportion as may be
18 30 agreed upon and other terms as may be mutually satisfactory to
18 31 the parties including the authorization of the construction of
18 32 the facility by one of the parties acting as agent for all of
18 33 the parties and the ownership and control of the facility by
18 34 the port authority to the extent necessary or appropriate.

18 35 b. A governmental agency may provide funds for the payment
19 1 of any contribution required under such agreements by the levy
19 2 of taxes or assessments if otherwise authorized by the laws
19 3 governing the governmental agency in the construction of the
19 4 type of port authority facility provided for in the
19 5 agreements, and may pay the proceeds from the collection of
19 6 the taxes or assessments; or the governmental agency may issue
19 7 bonds or notes, if authorized by law, in anticipation of the
19 8 collection of the taxes or assessments, and may pay the
19 9 proceeds of the bonds or notes to the port authority pursuant
19 10 to such agreements.

19 11 c. A governmental agency may provide the funds for the
19 12 payment of a contribution by the appropriation of moneys or,
19 13 if otherwise authorized by law, by the issuance of bonds or
19 14 notes and may pay the appropriated moneys or the proceeds of
19 15 the bonds or notes to the port authority pursuant to such
19 16 agreements.

19 17 3. When the contribution of any governmental agency is to
19 18 be made over a period of time from the proceeds of the
19 19 collection of special assessments, the interest accrued and to
19 20 accrue before the first installment of the assessments is
19 21 collected, which is payable by the governmental agency on the
19 22 contribution under the terms and provisions of the agreements,
19 23 shall be treated as part of the cost of the improvement for
19 24 which the assessments are levied, and that portion of the
19 25 assessments that is collected in installments shall bear
19 26 interest at the same rate as the governmental agency is
19 27 obligated to pay on the contribution under the terms and
19 28 provisions of the agreements and for the same period of time
19 29 as the contribution is to be made under the agreements. If
19 30 the assessment or any installment thereof is not paid when
19 31 due, it shall bear interest until the payment thereof at the
19 32 same rate as the contribution and the county auditor shall
19 33 annually place on the tax list and duplicate the interest
19 34 applicable to the assessment and the penalty thereon as
19 35 otherwise authorized by law.

20 1 4. A governmental agency, pursuant to a favorable vote in
20 2 an election regarding issuing bonds to provide funds to
20 3 acquire, construct, or equip, or provide real estate and
20 4 interests in real estate for a port authority facility,
20 5 whether or not the governmental agency at the time of the
20 6 election had the authority to pay the proceeds from the bonds
20 7 or notes issued in anticipation of the bonds to the port
20 8 authority as provided in this section, may issue such bonds or
20 9 notes in anticipation of the issuance of the bonds and pay the
20 10 proceeds of the bonds or notes to the port authority in
20 11 accordance with an agreement with the port authority;
20 12 provided, that the legislative authority of the governmental
20 13 agency finds and determines that the port authority facility
20 14 to be acquired or constructed in cooperation with the
20 15 governmental agency will serve the same public purpose and
20 16 meet substantially the same public need as the facility
20 17 otherwise proposed to be acquired or constructed by the
20 18 governmental agency with the proceeds of the bonds and notes.

20 19 Sec. 17. NEW SECTION. 28J.17 CONTRACTS, ARRANGEMENTS,
20 20 AND AGREEMENTS.

20 21 1. a. A port authority may enter into a contract or other
20 22 arrangement with a person, railroad, utility company,
20 23 corporation, governmental agency including sewerage, drainage,
20 24 conservation, conservancy, or other improvement districts in
20 25 this or other states, or the governments or agencies of
20 26 foreign countries as may be necessary or convenient for the
20 27 exercise of the powers granted by this chapter. The port
20 28 authority may purchase, lease, or acquire land or other
20 29 property in any county of this state and in adjoining states
20 30 for the accomplishment of authorized purposes of the port
20 31 authority, or for the improvement of the harbor and port

20 32 facilities over which the port authority may have jurisdiction
20 33 including development of port facilities in adjoining states.
20 34 The authority granted in this section to enter into contracts
20 35 or other arrangements with the federal government includes the
21 1 power to enter into any contracts, arrangements, or agreements
21 2 that may be necessary to hold and save harmless the United
21 3 States from damages due to the construction and maintenance by
21 4 the United States of work the United States undertakes.

21 5 b. A political subdivision that has participated in the
21 6 creation of a port authority, or is within, or adjacent to a
21 7 political subdivision that is within the jurisdiction of a
21 8 port authority, may enter into an agreement with the port
21 9 authority to accomplish any of the authorized purposes of the
21 10 port authority. The agreement may set forth the extent to
21 11 which the port authority shall act as the agent of the
21 12 political subdivision.

21 13 2. A port authority may enter into an agreement with a
21 14 contracting governmental agency, whereby the port authority or
21 15 the contracting governmental agency undertakes, and is
21 16 authorized by the port authority or a contracting governmental
21 17 agency, to exercise any power, perform any function, or render
21 18 any service, on behalf of the port authority or a contracting
21 19 governmental agency, which the port authority or the
21 20 contracting governmental agency is authorized to exercise,
21 21 perform, or render.

21 22 Sec. 18. NEW SECTION. 28J.18 REVENUE BONDS ARE LAWFUL
21 23 INVESTMENTS.

21 24 Port authority revenue bonds issued pursuant to this
21 25 chapter are lawful investments of banks, credit unions, trust
21 26 companies, savings and loan associations, deposit guaranty
21 27 associations, insurance companies, trustees, fiduciaries,
21 28 trustees or other officers having charge of the bond
21 29 retirement funds or sinking funds of port authorities and
21 30 governmental agencies, and taxing districts of this state, the
21 31 pension and annuity retirement system, the Iowa public
21 32 employees' retirement system, the police and fire retirement
21 33 systems under chapters 410 and 411, a revolving fund of a
21 34 governmental agency of this state, and are acceptable as
21 35 security for the deposit of public funds under chapter 12C.

22 1 Sec. 19. NEW SECTION. 28J.19 PROPERTY TAX EXEMPTION.

22 2 A port authority shall be exempt from and shall not be
22 3 required to pay taxes on real property belonging to a port
22 4 authority that is used exclusively for an authorized purpose
22 5 as provided in section 427.1, subsection 34.

22 6 Sec. 20. NEW SECTION. 28J.20 LOANS FOR ACQUISITION OR
22 7 CONSTRUCTION OF FACILITY == SALE OF FACILITY == POWER TO
22 8 ENCUMBER PROPERTY.

22 9 1. With respect to the financing of a facility for an
22 10 authorized purpose, under an agreement whereby the person to
22 11 whom the facility is to be leased, subleased, or sold, or to
22 12 whom a loan is to be made for the facility, is to make
22 13 payments sufficient to pay all of the principal of, premium,
22 14 and interest on the port authority revenue bonds issued for
22 15 the facility, the port authority, in addition to other powers
22 16 under this chapter, may do any of the following:

22 17 a. Make loans for the acquisition or construction of the
22 18 facility to such person upon such terms as the port authority
22 19 may determine or authorize including secured or unsecured
22 20 loans, and enter into loan agreements and other agreements,
22 21 accept notes and other forms of obligation to evidence such
22 22 indebtedness and mortgages, liens, pledges, assignments, or
22 23 other security interests to secure such indebtedness, which
22 24 may be prior or subordinate to or on a parity with other
22 25 indebtedness, obligations, mortgages, pledges, assignments,
22 26 other security interests, or liens or encumbrances, and take
22 27 actions considered appropriate to protect such security and
22 28 safeguard against losses, including, without limitation,
22 29 foreclosure and the bidding upon and purchase of property upon
22 30 foreclosure or other sale.

22 31 b. Sell the facility under terms as the port authority may
22 32 determine, including sale by conditional sale or installment
22 33 sale, under which title may pass prior to or after completion
22 34 of the facility or payment or provisions for payment of all
22 35 principal of, premium, and interest on the revenue bonds, or
23 1 at any other time provided in the agreement pertaining to the
23 2 sale, and including sale under an option to purchase at a
23 3 price which may be a nominal amount or less than true value at
23 4 the time of purchase.

23 5 c. Grant a mortgage, lien, or other encumbrance on, or
23 6 pledge or assignment of, or other security interest with
23 7 respect to, all or any part of the facility, revenues, reserve

23 8 funds, or other funds established in connection with the bonds
23 9 or with respect to a lease, sublease, sale, conditional sale
23 10 or installment sale agreement, loan agreement, or other
23 11 agreement pertaining to the lease, sublease, sale, or other
23 12 disposition of a facility or pertaining to a loan made for a
23 13 facility, or a guaranty or insurance agreement made with
23 14 respect thereto, or an interest of the port authority therein,
23 15 or any other interest granted, assigned, or released to secure
23 16 payments of the principal of, premium, or interest on the
23 17 bonds or to secure any other payments to be made by the port
23 18 authority, which mortgage, lien, encumbrance, pledge,
23 19 assignment, or other security interest may be prior or
23 20 subordinate to or on a parity with any other mortgage,
23 21 assignment, or other security interest, or lien or
23 22 encumbrance.

23 23 d. Contract for the acquisition or construction of the
23 24 facility or any part thereof and for the leasing, subleasing,
23 25 sale, or other disposition of the facility in a manner
23 26 determined by the port authority in its sole discretion,
23 27 without necessity for competitive bidding or performance
23 28 bonds.

23 29 e. Make appropriate provision for adequate maintenance of
23 30 the facility.

23 31 2. With respect to a facility referred to in this section,
23 32 the authority granted by this section is cumulative and
23 33 supplementary to all other authority granted in this chapter.
23 34 The authority granted by this section does not alter or impair
23 35 a similar authority granted elsewhere in this chapter for or
24 1 with respect to other facilities.

24 2 Sec. 21. NEW SECTION. 28J.21 ISSUANCE OF REVENUE AND
24 3 REFUNDING BONDS.

24 4 1. A port authority may issue revenue bonds and pledge
24 5 orders payable solely from the net revenues of the port
24 6 authority including the revenues generated from a facility
24 7 pursuant to section 28J.20. The revenue bonds may be issued
24 8 in such principal amounts as, in the opinion of the port
24 9 authority, are necessary for the purpose of paying the cost of
24 10 one or more port authority facilities or parts thereof.

24 11 2. a. The resolution to issue the bonds must be adopted
24 12 at a regular or special meeting of the board called for that
24 13 purpose by a majority of the total number of members of the
24 14 board. The board shall fix a date, time, and place of meeting
24 15 at which it proposes to take action, and give notice by
24 16 publication in the manner directed in section 331.305. The
24 17 notice must include a statement of the date, time, and place
24 18 of the meeting, the maximum amount of the proposed revenue
24 19 bonds, the purpose for which the revenue bonds will be issued,
24 20 and the net revenues to be used to pay the principal and
24 21 interest on the revenue bonds.

24 22 b. At the meeting the board shall receive oral or written
24 23 objections from any resident or property owner within the
24 24 jurisdiction of the port authority. After all objections have
24 25 been received and considered, the board, at the meeting or a
24 26 date to which it is adjourned, may take additional action for
24 27 the issuance of the bonds or abandon the proposal to issue
24 28 bonds. Any resident or property owner within the jurisdiction
24 29 of the port authority may appeal a decision of the board to
24 30 take additional action in district court within fifteen days
24 31 after the additional action is taken, but the additional
24 32 action of the board is final and conclusive unless the court
24 33 finds that the board exceeded its authority.

24 34 3. The board may sell revenue bonds or pledge orders at
24 35 public or private sale and may deliver revenue bonds and
25 1 pledge orders to the contractors, sellers, and other persons
25 2 furnishing materials and services constituting a part of the
25 3 cost of the port authority facility in payment therefor. The
25 4 pledge of any net revenues of a port authority is valid and
25 5 effective as to all persons including but not limited to other
25 6 governmental bodies when it becomes valid and effective
25 7 between the port authority and the holders of the revenue
25 8 bonds or pledge orders.

25 9 4. A revenue bond is valid and binding for all purposes if
25 10 it bears the signatures or a facsimile of the signature of the
25 11 officer designated by the port authority. Port authority
25 12 revenue bonds may bear dates, bear interest at rates not
25 13 exceeding those permitted by chapter 74A, bear interest at a
25 14 variable rate or rates changing from time to time in
25 15 accordance with a base or formula, mature in one or more
25 16 installments, be in registered form, carry registration and
25 17 conversion privileges, be payable as to principal and interest
25 18 at times and places, be subject to terms of redemption prior

25 19 to maturity with or without premium, and be in one or more
25 20 denominations, all as provided by the resolution of the board
25 21 authorizing their issuance. The resolution may also prescribe
25 22 additional provisions, terms, conditions, and covenants which
25 23 the port authority deems advisable, consistent with this
25 24 chapter, including provisions for creating and maintaining
25 25 reserve funds, the issuance of additional revenue bonds
25 26 ranking on a parity with such revenue bonds and additional
25 27 revenue bonds junior and subordinate to such revenue bonds,
25 28 and that such revenue bonds shall rank on a parity with or be
25 29 junior and subordinate to any revenue bonds which may be then
25 30 outstanding. Port authority revenue bonds are a contract
25 31 between the port authority and holders and the resolution is a
25 32 part of the contract.

25 33 5. The port authority may issue revenue bonds to refund
25 34 revenue bonds, pledge orders, and other obligations which are
25 35 by their terms payable from the net revenues of the same port
26 1 authority, at lower, the same, or higher rates of interest. A
26 2 port authority may sell refunding revenue bonds at public or
26 3 private sale and apply the proceeds to the payment of the
26 4 obligations being refunded, and may exchange refunding revenue
26 5 bonds in payment and discharge of the obligations being
26 6 refunded. The principal amount of refunding revenue bonds may
26 7 exceed the principal amount of the obligations being refunded
26 8 to the extent necessary to pay any premium due on the call of
26 9 the obligations being refunded and to fund interest accrued
26 10 and to accrue on the obligations being refunded.

26 11 6. The final maturity of any original issue of port
26 12 authority revenue bonds shall not exceed forty years from the
26 13 date of issue, and the final maturity of port authority
26 14 revenue bonds that refund outstanding port authority revenue
26 15 bonds shall not be later than the later of forty years from
26 16 the date of issue of the original issue of bonds or the date
26 17 by which it is expected, at the time of issuance of the
26 18 refunding bonds, that the useful life of all of the property
26 19 refinanced with the proceeds of the bonds, other than
26 20 interests in land, will have expired. Such bonds or notes
26 21 shall be executed in a manner as the resolution may provide.

26 22 7. The port authority may contract to pay an amount not to
26 23 exceed ninety-five percent of the engineer's estimated value
26 24 of the acceptable work completed during the month to the
26 25 contractor at the end of each month for work, material, or
26 26 services. Payment may be made in warrants drawn on any fund
26 27 from which payment for the work may be made. If such funds
26 28 are depleted, anticipatory warrants may be issued bearing a
26 29 rate of interest not exceeding that permitted by chapter 74A
26 30 even if income from the sale of bonds which have been
26 31 authorized and are applicable to the public improvement takes
26 32 place after the fiscal year in which the warrants are issued.
26 33 If the port authority arranges for the private sale of
26 34 anticipatory warrants, the warrants may be sold and the
26 35 proceeds used to pay the contractor. The warrants may also be
27 1 used to pay other persons furnishing services constituting a
27 2 part of the cost of the public improvement.

27 3 8. Port authority revenue bonds, pledge orders, and
27 4 warrants issued under this section are negotiable instruments.

27 5 9. The board may issue pledge orders pursuant to a
27 6 resolution adopted by a majority of the total number of
27 7 supervisors, at a regular or special meeting, ordering their
27 8 issuance and delivery in payment for all or part of the cost
27 9 of a project. Pledge orders may bear interest at rates not
27 10 exceeding those permitted by chapter 74A.

27 11 10. Except as provided in section 28J.20, the physical
27 12 properties of the port authority shall not be pledged or
27 13 mortgaged to secure the payment of revenue bonds, pledge
27 14 orders, or refunding bonds, or the interest thereon.

27 15 11. The members of the board of the port authority and any
27 16 person executing the bonds or pledge orders shall not be
27 17 personally liable on the bonds or pledge orders or be subject
27 18 to any personal liability or accountability by reason of the
27 19 issuance thereof.

27 20 Sec. 22. NEW SECTION. 28J.22 BONDS MAY BE SECURED BY
27 21 TRUST AGREEMENT.

27 22 1. In the discretion of the port authority, a port
27 23 authority revenue bond issued under this chapter may be
27 24 secured by a trust agreement between the port authority and a
27 25 corporate trustee that may be any trust company or bank having
27 26 the powers of a trust company within this or any other state.

27 27 2. The trust agreement may pledge or assign revenues of
27 28 the port authority to be received for payment of the revenue
27 29 bonds. The trust agreement or any resolution providing for

27 30 the issuance of revenue bonds may contain provisions for
27 31 protecting and enforcing the rights and remedies of the
27 32 bondholders as are reasonable and proper and not in violation
27 33 of law, including covenants setting forth the duties of the
27 34 port authority in relation to the acquisition of property, the
27 35 construction, improvement, maintenance, repair, operation, and
28 1 insurance of the port authority facility in connection with
28 2 which the bonds are authorized, the rentals or other charges
28 3 to be imposed for the use or services of any port authority
28 4 facility, the custody, safeguarding, and application of all
28 5 moneys, and provisions for the employment of consulting
28 6 engineers in connection with the construction or operation of
28 7 any port authority facility.

28 8 3. A bank or trust company incorporated under the laws of
28 9 this state, that may act as the depository of the proceeds of
28 10 bonds or of revenues, shall furnish any indemnifying bonds or
28 11 may pledge any securities that are required by the port
28 12 authority. The trust agreement may set forth the rights and
28 13 remedies of the bondholders and of the trustee, and may
28 14 restrict the individual right of action by bondholders as is
28 15 customary in trust agreements or trust indentures securing
28 16 similar bonds. The trust agreement may contain any other
28 17 provisions that the port authority determines reasonable and
28 18 proper for the security of the bondholders. All expenses
28 19 incurred in carrying out the provisions of the trust agreement
28 20 may be treated as a part of the cost of the operation of the
28 21 port authority facility.

28 22 Sec. 23. NEW SECTION. 28J.23 REMEDY OF HOLDER OF BOND OR
28 23 COUPON == STATUTE OF LIMITATIONS.

28 24 1. The sole remedy for a breach or default of a term of a
28 25 port authority revenue bond or pledge order is a proceeding in
28 26 law or in equity by suit, action, or mandamus to enforce and
28 27 compel performance of the duties required by this chapter and
28 28 of the terms of the resolution authorizing the issuance of the
28 29 revenue bonds or pledge orders, or to obtain the appointment
28 30 of a receiver to take possession of and operate the port
28 31 authority, and to perform the duties required by this chapter
28 32 and the terms of the resolution authorizing the issuance of
28 33 the port authority revenue bonds or pledge orders.

28 34 2. An action shall not be brought which questions the
28 35 legality of port authority revenue bonds or pledge orders, the
29 1 power of a port authority to issue revenue bonds or pledge
29 2 orders, or the effectiveness of any proceedings relating to
29 3 the authorization and issuance of revenue bonds or pledge
29 4 orders, from and after fifteen days from the time the bonds or
29 5 pledge orders are ordered issued by the port authority.

29 6 Sec. 24. NEW SECTION. 28J.24 BONDS ARE PAYABLE SOLELY
29 7 FROM REVENUES AND FUNDS PLEDGED FOR PAYMENT.

29 8 Port authority revenue bonds and pledge orders issued under
29 9 this chapter do not constitute a debt, or a pledge of the
29 10 faith and credit, of the state or a political subdivision of
29 11 the state, and the holders or owners of the bonds or pledge
29 12 orders shall not have taxes levied by the state or by a taxing
29 13 authority of a governmental agency of the state for the
29 14 payment of the principal of or interest on the bonds or pledge
29 15 orders, but the bonds and pledge orders are payable solely
29 16 from the revenues and funds pledged for their payment as
29 17 authorized by this chapter, unless the notes are issued in
29 18 anticipation of the issuance of bonds or pledge orders or the
29 19 bonds and pledge orders are refunded by refunding bonds issued
29 20 under this chapter, which bonds, pledge orders, or refunding
29 21 bonds shall be payable solely from revenues and funds pledged
29 22 for their payment as authorized by those sections. All of the
29 23 bonds or pledge orders shall contain a statement to the effect
29 24 that the bonds or pledge orders, as to both principal and
29 25 interest, are not debts of the state or a political
29 26 subdivision of the state, but are payable solely from revenues
29 27 and funds pledged for their payment.

29 28 Sec. 25. NEW SECTION. 28J.25 FUNDS AND PROPERTY HELD IN
29 29 TRUST == USE AND DEPOSIT OF FUNDS.

29 30 All revenues, funds, properties, and assets acquired by the
29 31 port authority under this chapter, whether as proceeds from
29 32 the sale of port authority revenue bonds, pledge orders, or as
29 33 revenues, shall be held in trust for the purposes of carrying
29 34 out the port authority's powers and duties, shall be used and
29 35 reused as provided in this chapter, and shall at no time be
30 1 part of other public funds. Such funds, except as otherwise
30 2 provided in a resolution authorizing port authority revenue
30 3 bonds or in a trust agreement securing the same, or except
30 4 when invested pursuant to section 28J.26, shall be kept in
30 5 depositories selected by the port authority in the manner

30 6 provided in chapter 12C, and the deposits shall be secured as
30 7 provided in that chapter. The resolution authorizing the
30 8 issuance of revenue bonds or pledge orders, or the trust
30 9 agreement securing such bonds or pledge orders shall provide
30 10 that any officer to whom, or any bank or trust company to
30 11 which, such moneys are paid shall act as trustee of such
30 12 moneys and hold and apply them for the purposes hereof,
30 13 subject to such conditions as this chapter and such resolution
30 14 or trust agreement provide.

30 15 Sec. 26. NEW SECTION. 28J.26 INVESTMENT OF EXCESS FUNDS.

30 16 1. If a port authority has surplus funds after making all
30 17 deposits into all funds required by the terms, covenants,
30 18 conditions, and provisions of outstanding revenue bonds,
30 19 pledge orders, and refunding bonds which are payable from the
30 20 revenues of the port authority and after complying with all of
30 21 the requirements, terms, covenants, conditions, and provisions
30 22 of the proceedings and resolutions pursuant to which revenue
30 23 bonds, pledge orders, and refunding bonds are issued, the
30 24 board may transfer the surplus funds to any other fund of the
30 25 port authority in accordance with this chapter and chapter
30 26 12C, provided that a transfer shall not be made if it
30 27 conflicts with any of the requirements, terms, covenants,
30 28 conditions, or provisions of a resolution authorizing the
30 29 issuance of revenue bonds, pledge orders, or other obligations
30 30 which are payable from the revenues of the port authority
30 31 which are then outstanding.

30 32 2. This section does not prohibit or prevent the board
30 33 from using funds derived from any other source which may be
30 34 properly used for such purpose, to pay a part of the cost of a
30 35 facility.

31 1 Sec. 27. NEW SECTION. 28J.27 CHANGE IN LOCATION OF

31 2 PUBLIC WAY, RAILROAD, OR UTILITY FACILITY == VACATION OF
31 3 HIGHWAY.

31 4 1. When a port authority changes the location of any
31 5 portion of any public road, railroad, or utility facility in
31 6 connection with the construction of a port authority facility,
31 7 the port authority shall reconstruct at such location as the
31 8 governmental agency having jurisdiction over such road,
31 9 railroad, or utility facility finds most favorable. The
31 10 construction of such road, railroad, or utility facility shall
31 11 be of substantially the same type and in as good condition as
31 12 the original road, railroad, or utility facility. The cost of
31 13 such reconstruction, relocation, or removal and any damage
31 14 incurred in changing the location of any such road, railroad,
31 15 or utility facility shall be paid by the port authority as a
31 16 part of the cost of the port authority facility.

31 17 2. When the port authority finds it necessary that a
31 18 public highway or portion of a public highway be vacated by
31 19 reason of the acquisition or construction of a port authority
31 20 facility, the port authority may request the director of the
31 21 department of transportation to vacate such highway or portion
31 22 in accordance with chapter 306 if the highway or portion to be
31 23 vacated is on the state highway system, or, if the highway or
31 24 portion to be vacated is under the jurisdiction of a county,
31 25 the port authority shall petition the board of supervisors of
31 26 that county, in the manner provided in chapter 306, to vacate
31 27 such highway or portion. The port authority shall pay to the
31 28 county, as a part of the cost of such port authority facility,
31 29 any amounts required to be deposited with a court in
31 30 connection with proceedings for the determination of
31 31 compensation and damages and all amounts of compensation and
31 32 damages finally determined to be payable as a result of such
31 33 vacation.

31 34 3. The port authority may adopt bylaws for the
31 35 installation, construction, maintenance, repair, renewal,
32 1 relocation, and removal of railroad or utility facilities in,
32 2 on, over, or under any port authority facility. Whenever the
32 3 port authority determines that it is necessary that any such
32 4 facility installed or constructed in, on, over, or under
32 5 property of the port authority pursuant to such bylaws be
32 6 relocated, the utility company owning or operating such
32 7 facility shall relocate or remove them in accordance with the
32 8 order of the port authority. The cost and expenses of such
32 9 relocation or removal, including the cost of installing such
32 10 facility in a new location, the cost of any lands, or any
32 11 rights or interests in lands, and any other rights, acquired
32 12 to accomplish such relocation or removal, shall be paid by the
32 13 port authority as a part of the cost of the port authority
32 14 facility. In case of any such relocation or removal of such
32 15 facilities, the railroad or utility company owning or
32 16 operating them, its successors, or assigns may maintain and

32 17 operate such facilities, with the necessary appurtenances, in
32 18 the new location in, on, over, or under the property of the
32 19 port authority for as long a period and upon the same terms as
32 20 the railroad or utility company had the right to maintain and
32 21 operate such facilities in their former location.
32 22 Sec. 28. NEW SECTION. 28J.28 FINAL ACTIONS TO BE
32 23 RECORDED == ANNUAL REPORT == CONFIDENTIALITY OF INFORMATION.
32 24 1. All final actions of the port authority shall be
32 25 recorded and the records of the port authority shall be open
32 26 to public examination and copying pursuant to chapter 22. Not
32 27 later than the first day of April every year, a port authority
32 28 shall submit a report to the director of the department of
32 29 economic development detailing the projects and activities of
32 30 the port authority during the previous calendar year. The
32 31 report shall include, but not be limited to, all aspects of
32 32 those projects and activities, including the progress and
32 33 status of the projects and their costs, and any other
32 34 information the director determines should be included in the
32 35 report.
33 1 2. Financial and proprietary information, including trade
33 2 secrets, submitted to a port authority or the agents of a port
33 3 authority, in connection with the relocation, location,
33 4 expansion, improvement, or preservation of a business or
33 5 nonprofit corporation is not a public record subject to
33 6 chapter 22. Any other information submitted under those
33 7 circumstances is not a public record subject to chapter 22
33 8 until there is a commitment in writing to proceed with the
33 9 relocation, location, expansion, improvement, or preservation.
33 10 3. Notwithstanding chapter 21, the board of directors of a
33 11 port authority, when considering information that is not a
33 12 public record under this section, may close a meeting during
33 13 the consideration of that information pursuant to a vote of
33 14 the majority of the directors present on a motion stating that
33 15 such information is to be considered. Other matters shall not
33 16 be considered during the closed session.
33 17 Sec. 29. NEW SECTION. 28J.29 PROVISIONS TO BE LIBERALLY
33 18 CONSTRUED.
33 19 This chapter shall be liberally construed to effect the
33 20 chapter's purposes.
33 21 Sec. 30. Section 427.1, Code 2005, is amended by adding
33 22 the following new subsection:
33 23 NEW SUBSECTION. 34. PORT AUTHORITY PROPERTY. The
33 24 property of a port authority created pursuant to section
33 25 28J.2, when devoted to public use and not held for pecuniary
33 26 profit.
33 27 HF 835
33 28 kk:rj/es/25